

was recorded prior to January 1, 1999, shall be classified as residential real estate as long as the apartment is used for human habitation.

c. This subsection is repealed December 31, 2004.

Sec. 3. **STUDY REQUESTED.** The legislative council is requested to establish an interim committee to study the issue of the property taxation of apartments, as defined in section 499B.2, subsection 1, in horizontal property regimes, including the classification for property tax purposes of apartments in horizontal property regimes containing multiple uses, and to report its recommendations, if any, to the general assembly by January 15, 2000.

Approved May 26, 1999

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## CHAPTER 188

### MANUFACTURED HOUSING — SALES AND USE TAXES — CERTIFICATES OF TITLE

H.F. 770

**AN ACT** relating to the treatment of manufactured housing under the state sales and use taxes and the requirements for the issuance of a certificate of title.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 321.1, Code 1999, is amended by adding the following new subsection: **NEW SUBSECTION.** 36A. “Manufactured housing” is a factory-built structure constructed under authority of 42 U.S.C. § 5403, which is required by federal law to display a seal from the United States department of housing and urban development, and was constructed on or after June 15, 1976.

Sec. 2. Section 321.18, subsection 8, Code 1999, is amended to read as follows:  
8. Any mobile home or manufactured housing.

Sec. 3. Section 321.20, unnumbered paragraph 1, Code 1999, is amended to read as follows:

Except as provided in this chapter, an owner of a vehicle subject to registration shall make application to the county treasurer, of the county of the owner’s residence, or if a nonresident to the county treasurer of the county where the primary users of the vehicle are located, or if a lessor of the vehicle pursuant to chapter 321F which vehicle has a gross vehicle weight of less than ten thousand pounds, to the county treasurer of the county of the lessee’s residence, for the registration and issuance of a certificate of title for the vehicle upon the appropriate form furnished by the department. However, upon the transfer of ownership, the owner of a vehicle subject to the proportional registration provisions of chapter 326 shall make application for registration and issuance of a certificate of title to either the department or the appropriate county treasurer. The application shall be accompanied by a fee of ten dollars, and shall bear the owner’s signature written with pen and ink. A nonresident owner of two or more vehicles subject to registration may make application for registration and issuance of a certificate of title for all vehicles subject to registration to the county treasurer of the county where the primary user of any of the vehicles is located. The owner of a mobile home or of manufactured housing shall make application for a certificate of title under this section. The application shall contain:

Sec. 4. Section 321.24, unnumbered paragraphs 1 and 6, Code 1999, are amended to read as follows:

Upon receipt of the application for title and payment of the required fees for a motor vehicle, trailer, or semitrailer, the county treasurer or the department shall, when satisfied as to the application's genuineness and regularity, and, in the case of a mobile home or manufactured housing, that taxes are not owing under chapter 435, issue a certificate of title and, except for a mobile home or manufactured housing, a registration receipt, and shall file the application, the manufacturer's or importer's certificate, the certificate of title, or other evidence of ownership, as prescribed by the department. The registration receipt shall be delivered to the owner and shall contain upon its face the date issued, the name and address of the owner, the registration number assigned to the vehicle, the title number assigned to the owner of the vehicle, the amount of the fee paid, the amount of tax paid pursuant to section 423.7, the type of fuel used, and a description of the vehicle as determined by the department, and upon the reverse side a form for notice of transfer of the vehicle.

The certificate shall bear the seal of the county treasurer or of the department, and the signature of the county treasurer, the deputy county treasurer, or the department director or deputy designee. The certificate shall provide space for the signature of the owner. The owner shall sign the certificate of title in the space provided with pen and ink upon its receipt. The certificate of title shall contain upon the reverse side a form for assignment of title or interest and warranty by the owner, for reassignments by a dealer licensed in this state or in another state if the state in which the dealer is licensed permits Iowa licensed dealers to similarly reassign certificates of title. Attached to the certificate of title shall be an application for a new certificate of title by the transferee as provided in this chapter. However, titles for mobile homes or manufactured housing shall not be reassigned by licensed dealers. All certificates of title shall be typewritten or printed by other mechanical means. Notwithstanding section 321.1, subsection 17, as used in this paragraph "dealer" means every person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered under this chapter.

Sec. 5. Section 321.30, subsections 10 and 11, Code 1999, are amended to read as follows:

10. In the case of a mobile home or manufactured housing, that taxes are owing under chapter 435 for a previous year.

11. In the case of a mobile home or manufactured housing converted from real estate, real estate taxes which are delinquent.

Sec. 6. Section 321.45, subsection 1, unnumbered paragraph 2, Code 1999, is amended to read as follows:

For each new mobile home, manufactured housing, travel trailer and camping trailer said manufacturer's or importer's certificate shall also contain thereon the exterior length and exterior width of said vehicle not including any area occupied by any hitching device, and the manufacturer's shipping weight.

Sec. 7. Section 321.45, subsection 4, Code 1999, is amended to read as follows:

4. A mobile home dealer, as defined in section 322B.2, shall within ~~fifteen~~ thirty days of acquiring a used mobile home or manufactured home housing, titled in Iowa, apply for and obtain from the county treasurer of the dealer's county of residence a new certificate of title for the mobile home or manufactured home housing.

Sec. 8. Section 321.46, subsection 2, Code 1999, is amended to read as follows:

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of ten dollars and a registration fee prorated for the remaining unexpired months of the registration year. However, no title fee shall be charged to a mobile home dealer applying for a certificate of title for a used mobile home or manufactured housing, titled in Iowa, as required under section 321.45, subsection 4. The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home or manufactured housing, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and,

except for a mobile home or manufactured housing, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured housing titled under chapter 448 that have been subject under section 446.18 to a public bidder sale in a county, shall be titled in the county's name, with no fee and the county treasurer shall issue the title.

Sec. 9. Section 321.49, subsection 3, Code 1999, is amended to read as follows:

3. A mobile home dealer who acquires a used mobile home, or manufactured housing titled in Iowa, and who does not apply for and obtain a certificate of title from the county treasurer of the dealer's county of residence within ~~fifteen~~ thirty days of the date of acquisition, as required under section 321.45, subsection 4, is subject to a penalty of ten dollars. A certificate of title shall not be issued to the mobile home dealer until the penalty is paid.

Sec. 10. Section 321.50, subsection 1, Code 1999, is amended to read as follows:

1. A security interest in a vehicle subject to registration under the laws of this state or a mobile home or manufactured housing, except trailers whose empty weight is two thousand pounds or less, and except new or used vehicles held by a dealer or manufacturer as inventory for sale, is perfected by the delivery to the county treasurer of the county where the certificate of title was issued or, in the case of a new certificate, to the county treasurer where the certificate will be issued, of an application for certificate of title which lists the security interest, or an application for notation of security interest signed by the owner, or by one owner of a vehicle owned jointly by more than one person, or a certificate of title from another jurisdiction which shows the security interest, and a fee of five dollars for each security interest shown. If the owner or secured party is in possession of the certificate of title, it must also be delivered at this time in order to perfect the security interest. If a vehicle is subject to a security interest when brought into this state, the validity of the security interest and the date of perfection is determined by section 554.9103. Delivery as provided in this subsection is an indication of a security interest on a certificate of title for purposes of chapter 554.

Sec. 11. Section 321.57, unnumbered paragraph 5, Code 1999, is amended to read as follows:

Mobile home dealers licensed under chapter 322B may transport and deliver mobile homes or manufactured housing in their inventory upon the highways of this state with a special plate displayed on the mobile home or manufactured housing as provided in sections 321.58 to 321.62.

Sec. 12. Section 321.101, subsection 8, Code 1999, is amended to read as follows:

8. The department shall cancel a certificate of title that appears to have been improperly issued or fraudulently obtained or in the case of a mobile home or manufactured housing, if taxes were owing under chapter 435 at the time the certificate was issued and have not been paid. However, before the certificate to a mobile home or manufactured housing where taxes were owing can be canceled, notice and opportunity to pay the taxes must be given to the person to whom the certificate was issued. Upon cancellation of any certificate of title the department shall notify the county treasurer who issued it, who shall enter the cancellation upon the records. The department shall also notify the person to whom the certificate of title was issued, as well as any lienholders appearing thereon, of the cancellation and shall demand the surrender of the certificate of title, but the cancellation shall not affect the validity of any lien noted thereon.

Sec. 13. Section 321.104, subsection 6, Code 1999, is amended to read as follows:

6. For a dealer to sell or transfer a mobile home or manufactured housing without delivering to the purchaser or transferee a certificate of title or a manufacturer's or importer's certificate properly assigned to the purchaser, or to transfer a mobile home or manufactured

housing without disclosing to the purchaser the owner of the mobile home or manufactured housing in a manner prescribed by the department pursuant to rules, or to fail to certify within seven days to the proper county treasurer the information required under section 321.45, subsection 4, or to fail to apply for and obtain a certificate of title for a used mobile home or manufactured housing, titled in Iowa, acquired by the dealer within ~~fifteen~~ thirty days from the date of acquisition as required under section 321.45, subsection 4.

Sec. 14. Section 321.123, unnumbered paragraph 1, Code 1999, is amended to read as follows:

All trailers except farm trailers, ~~and~~ mobile homes, and manufactured housing, unless otherwise provided in this section, are subject to a registration fee of ten dollars. Trailers for which the empty weight is two thousand pounds or less are exempt from the certificate of title and lien provisions of this chapter. Fees collected under this section shall not be reduced or prorated under chapter 326.

Sec. 15. Section 322B.2, subsection 3, Code 1999, is amended to read as follows:

3. "Mobile home" means a structure, transportable in one or more sections, which exceeds eight feet in width and thirty-two feet in length, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to one or more utilities. "Mobile home" also includes "manufactured ~~home~~ housing" as the term is defined in section ~~435.1~~ 321.1.

Sec. 16. Section 322B.6, subsection 6, Code 1999, is amended to read as follows:

6. Failing to apply for and obtain from a county treasurer a certificate of title for a used mobile home, titled in Iowa, acquired by the dealer within ~~fifteen~~ thirty days from the date of acquisition, as required under section 321.45, subsection 4.

Sec. 17. Section 423.1, subsection 1, Code 1999, is amended to read as follows:

1. "Certificate of title" means a certificate of title issued for a vehicle or for manufactured housing under chapter 321.

Sec. 18. Section 423.1, Code 1999, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "Installed purchase price" is the amount charged, valued in money whether paid in money or otherwise, by a building contractor to convert manufactured housing from tangible personal property into realty. "Installed purchase price" includes, but is not limited to, amounts charged for installing a foundation and electrical and plumbing hookups. "Installed purchase price" excludes any amount charged for landscaping in connection with the conversion.

NEW SUBSECTION. 2B. "Manufactured housing" means the same as defined in section 321.1.

Sec. 19. Section 423.1, subsection 12, Code 1999, is amended to read as follows:

12. "Use" means and includes the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it shall not include processing, or the sale of that property in the regular course of business. Property used in "processing" within the meaning of this subsection shall mean and include ~~(a)~~ of the following:

a. Any tangible personal property including containers which it is intended shall, by means of fabrication, compounding, manufacturing, or germination, become an integral part of other tangible personal property intended to be sold ultimately at retail, and containers used in the collection, recovery or return of empty beverage containers subject to chapter 455C, ~~or (b) fuel,~~

b. Fuel which is consumed in creating power, heat, or steam for processing or for generating electric current, ~~or (c) chemicals,~~

c. Chemicals, solvents, sorbents, or reagents, which are directly used and are consumed, dissipated, or depleted in processing personal property, which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product.

PARAGRAPH DIVIDED. The distribution to the public of free newspapers or shoppers guides shall be deemed a retail sale for purposes of the processing exemption. A retailer's or building contractor's sale of manufactured housing for use in this state, whether in the form of tangible personal property or of realty, is a use of that property for the purposes of this chapter.

Sec. 20. Section 423.2, Code 1999, is amended to read as follows:

423.2 IMPOSITION OF TAX.

An excise tax is imposed on the use in this state of tangible personal property purchased for use in this state, at the rate of five percent of the purchase price of the property. An excise tax is imposed on the use of manufactured housing in this state at the rate of five percent of the purchase price if the manufactured housing is sold in the form of tangible personal property and at the rate of five percent of the installed purchase price if the manufactured housing is sold in the form of realty. An excise tax is imposed on the use of leased vehicles at the rate of five percent of the amount otherwise subject to tax as calculated pursuant to section 423.7A. The excise tax is imposed upon every person using the property within this state until the tax has been paid directly to the county treasurer or the state department of transportation, to a retailer, or to the department. An excise tax is imposed on the use in this state of services enumerated in section 422.43 at the rate of five percent. This tax is applicable where services are rendered, furnished, or performed in this state or where the product or result of the service is used in this state. This tax is imposed on every person using the services or the product of the services in this state until the user has paid the tax either to an Iowa use tax permit holder or to the department.

Sec. 21. Section 423.4, subsections 11 and 12, Code 1999, are amended to read as follows:

11. Mobile homes and manufactured housing the use of which has previously been subject to the tax imposed under this chapter and for which that tax has been paid.

12. Mobile homes to the extent of the portion of the purchase price of the mobile home which is not attributable to the cost of the tangible personal property used in the processing of the mobile home and manufactured housing to the extent of the purchase price or the installed purchase price of the manufactured housing which is not attributable to the cost of the tangible personal property used in the processing of the manufactured housing. For purposes of this exemption, the portion of the purchase price which is not attributable to the cost of the tangible personal property used in the processing of the mobile home is forty percent and the portion of the purchase price or installed purchase price which is not attributable to the cost of the tangible personal property used in the processing of the manufactured housing is forty percent.

Sec. 22. Section 423.6, subsection 1, Code 1999, is amended to read as follows:

1. The tax upon the use of all vehicles subject to registration or subject only to the issuance of a certificate of title or the tax upon the use of manufactured housing shall be collected by the county treasurer or the state department of transportation pursuant to sections 423.7 and 423.7A. The county treasurer shall retain one dollar from each tax payment collected, to be credited to the county general fund.

Sec. 23. Section 423.7, Code 1999, is amended to read as follows:

423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE ISSUANCE OF TITLE.

The tax imposed upon the use of vehicles subject to registration or subject only to the issuance of a certificate of title or imposed upon the use of manufactured housing shall be paid by the owner of the vehicle or of the manufactured housing to the county treasurer or the state department of transportation from whom the registration receipt or certificate of title is obtained. A registration receipt for a vehicle subject to registration or certificate of title shall not be issued until the tax has been paid. The county treasurer or the state department of transportation shall require every applicant for a registration receipt for a

vehicle subject to registration or certificate of title to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, installed purchase price, and other information relative to the purchase of the vehicle or manufactured housing. On or before the tenth day of each month the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month.

Approved May 26, 1999

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## CHAPTER 189

### CHILDREN'S CENTERS — CERTIFICATION OR LICENSING STANDARDS

S.F. 275

**AN ACT** requiring the department of human services to establish certification or licensing standards for children's centers.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 237C.1 CHILDREN'S CENTERS.

1. For the purposes of this section, unless the context requires otherwise, "children's center" means a privately funded facility designed to serve seven or more children at any one time who are not under the custody or authority of the department of human services, juvenile court, or another governmental agency, and that offers one or more of the following services:

- a. Child day care.
- b. Child day care for children with a chronic illness.
- c. Respite care.
- d. Family support services.
- e. Medical equipment.
- f. Therapeutic day programming.
- g. Educational enrichment.
- h. Housing.

2. The department of human services shall consult with the department of inspections and appeals, department of education, Iowa department of public health, state fire marshal, and community-based providers of services to children in establishing certification or licensing standards for children's centers.

3. In establishing the initial and subsequent standards, the department of human services shall review other certification and licensing standards applicable to the centers. The standards established by the department shall be broad facility standards for the protection of children's safety. The department of human services shall not establish program standards or other requirements under this section involving program development or oversight of the programs provided to the children served by children's centers.

Approved May 27, 1999